

GOED Board Meeting Minutes

November 8, 2012 • 10:00 a.m.

Governor's Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Brent Brown (phone), Cliff White, Jake Boyer, Kate Riggs, Lorena Rizzo-Jenson, Mel Lavitt, Molonai Hala, Peter Mouskondis, Stefanie Bevans (phone), Amy Anderson (phone)
Staff:	Christopher M. Conabee, Jenni Osman, Sophia DiCaro, Spencer P. Eccles, Tamy Dayley, Michael Sullivan, Ron Andrus, Kelleigh Cole, Marshall Wright, Winston Wilkinson, Tara Thue, Sue Redington, Bev Evans, Fred Lange, Riley Cutler, Eric Nay, John Bell
Visitors:	Stuart Orgil, Dale Carpenter, David Baird, Susan Swatzki, Marshall Moore (phone), Todd Brightwell, Andy Papadatos (phone), Man Diep, Derek Mellus, Ricki Flores, Teri Klug, Brice Wallace, Paul Beebe, Spencer Brimley, Sheila Yorkin, Susan Opp, Sherri Bellehumeur, Ci Ci Compton, Stephen Hall

Welcome

Mel Lavitt welcomed everyone to the November 8, 2012 Board meeting.

Approval of the October 11, 2012 and October 30, 2012 Minutes

MOTION: Peter Mouskondis moved to approve the minutes of October 11, 2012 and October 30, 2012 GOED Board Meeting minutes. Kate Riggs seconded the motion. Motion was carried unanimously.

EDTIF – Qualtrics Labs LLC

Project Highlights

- Timeline: 2012
- Target Industry: Software, Online Survey
- Proposed Location: Utah County
- Capital Investment: \$2,400,000

Jobs and Revenue

- 1080 FTE's
- Qualtrics Labs LLC provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 7 years: \$ 295,308,110
- New State Revenue over 7 years: \$ 43,123,085
 - Withholding: \$ 11,074,054
 - Sales: \$ 108,100
 - Corporate: \$ 31,940,931

MOTION: Jake Boyer moved to approve for Qualtrics Labs LLC a \$10,780,771 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 7. Kate Riggs seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$10,780,771 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Utah County average wage
- Must commit to keep operation in Utah for the length of the incentive period 7 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive

Teri Klug from EDCU let the GOED Board know that this company is going to only move forward and grow larger than they already are. Stuart Orgil from Qualtrics gave a brief background of how the company started and what they foresee in the future. He thanked the GOED Board for their support in moving forward and looks forward to continue their fast paced movement in Utah.

EDZONE – Hexcel Corporation

Establish an Economic Development Zone for the purpose of supporting the expansion of Hexcel Corporation in West Valley City, Utah.

MOTION: Peter Mouskondis moved to approve the creation of an Economic Development Zone for West Valley City in support of their letter of request detailing the boundaries of the Hexcel Corporation facilities located at 6700 West 5400 South in West Valley City, Utah. Cliff White seconded the motion. Motion was carried unanimously.

EZDONE – Xi3 Corporation

Establish an Economic Development Zone for the purpose of supporting the expansion of Xi3, Inc. in Salt Lake City, Utah.

MOTION: Kate Riggs moved to approve the creation of an Economic Development Zone for Salt Lake City in support of their letter of request detailing the boundaries of the Xi3, Inc. facilities located at 299 South Main Street, Suite 1300 in Salt Lake City, Utah. Peter Mouskondis seconded the motion. Motion was carried unanimously.

EDTIF – Royal Bank of Scotland

Project Highlights

- Timeline: 2012
- Target Industry: Financial Services
- Proposed Location: Salt Lake County
- Capital Investment: \$2,642,908

Jobs and Revenue

- 310 FTE's
- Royal Bank of Scotland provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 15 years: \$ 286,603,064
- New State Revenue over 15 years: \$ 21,100,497
 - Withholding: \$ 10,683,519
 - Sales: \$ 58,488
 - Corporate: \$ 10,358,490

MOTION: Peter Mouskondis moved to approve for Royal Bank of Scotland a \$5,275,124 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 15 years. Jake Boyer seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$5,275,124 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 15 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 15 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive

Andreas Papadatos from the Royal Bank of Scotland described why they were looking for incentives and the competition that is in play. He discussed that Utah's time-zone and job market candidates are some of the main reasons that are leaning towards Utah. He thanked the GOED Board for their support and flexibility with this incentive that will work.

EDTIF – Workday

Project Highlights

- Timeline: Start in second quarter of 2012
- Target Industry: Enterprise Software Implementation
- Proposed Location: Salt Lake County
- Capital Investment: \$20 million

Jobs and Revenue

- 500 FTE's
- Workday provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 15 years: \$ 719,396,231
- New State Revenue over 15 years: \$ 54,072,074
 - Withholding: \$ 26,977,359
 - Sales: \$ 1,485,681
 - Corporate: \$ 25,609,034

MOTION: Cliff White moved to approve for Workday a \$8,370,052 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 15 years. Peter Mouskonids seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$8,370,052 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 15 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 15 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive

David Baird, the representative for Workday gave a brief background on the hiring success that they have already had in Utah and how the jobs prior to this incentive were in competition with California.

MPIF – “Cloud Nine”

Project Highlights

- Category: Feature Film
- Genre: Family
- Director: Paul Hoen
- Producer: Matias Alvarez

Utah Jobs and Revenue

- Estimated Cast: 34
- Estimated Cast Average Salary: \$872/day
- Estimated Crew: 110
- Estimated Crew Average Salary: \$300/day
- Estimated Extras: 1,587
- Estimated Extras Average Salary: \$116/day
- Length of Film Production: 29 days
- Estimated Spend: \$7,519,600

Project Schedule

- Prep: November 12, 2012 – January 11, 2013
- Principal Photography: January 14, 2013 – February 25, 2013
- Wrap: February 26, 2013 – March 20, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) November 1, 2013.

MOTION: Molonia Hola moved to approve for Salty Pictures, Inc. a Motion Picture Incentive Program post-performance tax credit of no less than \$1,504,000 (which represents 20% of dollars left in state) and up to \$1,879,900 (which represents 25% of the dollars left in state) for the production of ‘Cloud Nine’. Lorena Riff-Jenson seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Salty Pictures, Inc. may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$1,879,900 (25% of the dollars left in state).

MPIF – “Need for Speed”

Project Highlights

- Category: Feature Film
- Genre: Action
- Director: Scott Waugh
- Producer: John Gatins

Utah Jobs and Revenue

- Estimated Cast: 0
- Estimated Cast Average Salary: \$0/day
- Estimated Crew: 69
- Estimated Crew Average Salary: \$452/day
- Estimated Extras: 53
- Estimated Extras Average Salary: \$140/day
- Length of Film Production: 8 days
- Estimated Spend: \$1,604,700

Project Schedule

- Prep: May 6, 2013- May 24, 2013
- Principal Photography: May 28, 2013 – June 7, 2013
- Wrap: June 10, 2013 – June 14, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) November 1, 2012.

MOTION: Jake Boyer moved to approve for NFS Productions, LLC a Motion Picture Incentive Program post-performance tax credit of \$321,000 (which represents 20% of dollars left in state) for the production of ‘Need for Speed’. Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline.

GOED Update

Spencer P. Eccles, Executive Director of the Governor's Office of Economic Development, introduced Michael Sullivan our Communications Director discussed Ad News which had some articles regarding a few film crews and also an article regarding our collaboration and communication, there was an article on BioFire a company that we incented which is getting recognized nationally. Many national news companies are contacting Michael regularly after each Board meeting to discuss an incentive that was given. Spencer discussed the election and the uncertainty that revolves around the fiscal cliff and also the tax items that are set to expire which could affect decisions that small businesses might make. GOMB expect that 90% of households will have a tax increase. The average income in each household is about \$3,500. The fiscal cliff is about \$76 million in the federal impact with \$5 million in federal defense. The goal for the next five years is to increase our non-precious metals by 75%, we have doubled exports in four years. Utah will benefit from the uncertainty across the Country, as more States are struggling companies will look to Utah to relocate and expand.

Mercato Partners Presentation

Aaron DeRose, Managing Director of Mercato, which is a venture capital company, gave an update on the background of the company. He also discussed the trends that he is seeing in the marketplace in private equity and the venture capital world.

Spencer P. Eccles presented the Freedom Award to L-3, Susan Opp, Sherri Bellehumeur, Ci Ci Compton and Stephen Hall was present to accept this award.

Meeting adjourned.